



## Commissioned Officer Compensation

### Changes in Active-Duty Compensation

As of the date this article went to press, the 2002 National Defense Authorization Act (NDAA) had not been approved but was projected to be signed by the President on December 26, 2001. With this in mind, the compensation changes presented in this article are based on the bill presented to the President for signature.

Effective January 1, 2002, the rate for Basic Pay increases by 5.0% for most officers; however, the increase will be as much as 6.5% for some mid grade officers. A draft of the pay table for 2002 is published in this issue of the *Commissioned Corps Bulletin* and can also be found on the Division of Commissioned Personnel's (DCP) Web site—<http://dcp.psc.gov>. Recently, a separate "Payroll Issues" section was added to the DCP home page, and is being used to post current information pertaining to Public Health Service (PHS) compensation.

The 2002 Basic Allowance for Housing (BAH) rates are based on the fiscal 2001 authorization. Therefore, the new rates will take effect regardless of the fiscal 2002 NDAA status. BAH rates are calculated based on median rent (not mortgage costs) plus average utilities and insurance in each local area for rank and dependency status. Last year marked the beginning of a multiyear effort to reduce the out-of-pocket housing cost burden currently placed on Service members. Rates for 2002 are to increase an average of 10%, but local market declines may prevent a BAH rate increase in some areas. Rates will not decline in any location. Refer to the "Allowances" portion of this article to find out more about BAH and where to check the rate at your duty assignment.

Like with BAH rates, fiscal 2002 Basic Allowance for Subsistence (BAS) rates are also based on last year's NDAA. BAS rates are now linked to a food cost growth index measured by the U.S. Department of Agriculture. The 2002 BAS monthly rate is estimated at \$166.37.

The Thrift Savings Plan (TSP) for Uniformed Service members has begun. The TSP is intended to be a supplement to existing Uniformed Services retirement plans, not a replacement. Under the plan, officers will be able to deposit up to 7% of base pay, along with 100% of special pay and bonuses up to a combined ceiling of \$11,000 per year (there are ongoing attempts to legislate an increase in the annual TSP deposit limit).

The initial open season for TSP enrollment began October 9, 2001, and will continue through January 31, 2002. The first TSP account deposits will occur in January 2002. Additional details on the TSP are available at the TSP Web site at — <http://www.tsp.gov>. Information specific to PHS officers can be found at the DCP Web site.

Information on changes in medical officers special pay, including the new rates, can be found in a separate article on page 16 of this issue of the *Commissioned Corps Bulletin*.

Information concerning changes in pay will be published in the *Commissioned Corps Bulletin* throughout the year. Current information on pay will also be placed under "Payroll Issues" on the DCP Web site at — <http://dcp.psc.gov>. Enrollment on the DCP Listserver will provide you with e-mail notification of all significant new postings on the DCP Web site. Go to the DCP Web site for instructions on how to enroll.

### Retired Cost of Living Adjustment

Effective December 1, 2001, payable January 2, 2002, retirees will be receiving a 2.6% cost of living adjustment (COLA) if their retired pay was computed using the active-duty rates that were in effect prior to January 1, 2001. Officers that initially became a member of a Uniformed Service before September 8, 1980, and whose retired pay is computed on a pay cell of the January 1, 2001 pay table, will receive a COLA of 2.0%. Officers first called to active duty after September 8, 1980, and retiring in the 1st quarter of 2001 will receive a COLA of 2.0%, while those with 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter retirements will receive 1.1%, 0.0%, or 0.0% respectively.

Most survivors who are receiving an annuity under the Survivor Benefit Plan (SBP) or the indexed Retired Servicemember's Family Protection Plan (RSFPP) will receive an increase of 2.6% while the rest will receive lesser amounts depending on the Servicemember's initial call-to-duty date, retirement date, and date of death.

### Annual Earnings Statements (Form W-2 or 1099R)

Annual earning statements (W-2 for active duty and 1099R for retirees) are scheduled to be mailed at the end of January. Officers should receive their Form W-2 and retirees their Form 1099R by the first week of February for use in filing their income tax returns. If you do not receive an earnings

statement or if there are errors, please contact the Compensation Branch in writing or by phone. Also be sure to notify the Compensation Branch, in writing, if you have changed your payroll address. The statements will be mailed to the same address as your monthly earnings statement, i.e., your payroll address.

The address and phone number for the Compensation Branch are as follows:

Division of Commissioned Personnel  
ATTN: Compensation Branch  
5600 Fishers Lane, Room 4-50  
Rockville, MD 20857-0001  
Phone: 301-594-2963 (or toll-free 1-877-INFO-DCP, listen to the prompts, select option #1, dial 42963)

### General Payroll Information

The compensation of commissioned officers consists of two elements – pay and allowances. The pay portion is taxable income while the allowances are usually non-taxable. This section describes the various pay elements and reflects the changes authorized by the proposed NDAA for Fiscal Year 2002.

### Basic Pay

Basic Pay is considered to be the officer's actual salary. It is subject to Federal income tax, Social Security tax (FICA), and in most cases, State income tax. The rate of Basic Pay received is based on the officer's temporary grade and the Base Pay Entry Date (BPED) printed on the officer's call-to-active-duty personnel order. The BPED date is usually your call-to-active-duty date; however, it may be adjusted for prior service in other Uniformed Services. The second date that is important to you is the Training and Experience Date (TED). This date appears on your call-to-active-duty personnel order and reflects your creditable training and experience related to your health specialty and determines your rank and eligibility for promotion. Your initial rate of Basic Pay is determined by your BPED and your rank. Subsequent increases in base pay result from length of service and promotion to the next higher rank.

### Special Pay

There are a number of special pays that are applicable to several categories. Veterinary and optometry officers are eligible to receive \$100 per month special pay. Special pays for medical officers include Retention Special Pay (RSP), Variable Special Pay

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(VSP), Board Certified Pay (BCP), Incentive Special Pay (ISP), and Multiyear Retention Bonus (MRB). Note: Included in this issue of the *Commissioned Corps Bulletin* is an article titled "Changes Announced for Medical Officers Special Pays." Dental officers are eligible for VSP, BCP, MRB, and Additional Special Pay (ASP) as well as an accession bonus. Engineering and scientist officers may be eligible to receive Engineering and Scientific Career Continuation Pay (ESCCP). Nurse Special Pay (NSP) includes a special pay for nurse anesthetists as well as an accession bonus. Pharmacist officers receive VSP and may be eligible for an accession bonus upon call-to-duty. Non-physician BCP may be authorized for certain officers, as defined below.

*Variable Special Pay (VSP)* is a monthly pay based on the pharmacy, medical, or dental officer's years of creditable service. The creditable service entry date (CSED) reflects the officer's years of active duty as a pharmacy, medical, or dental officer in any of the Uniformed Services. For medical and dental officers, CSED also includes the years spent participating in an accredited medical or dental internship/residency while not on active duty in a Uniformed Service. VSP rates range from \$5,000 to \$12,000 annually for medical officers and \$3,000 to \$12,000 for pharmacy and dental officers. The rate is determined by the length of creditable service.

*Board Certified Pay (BCP)* is a monthly pay based on the medical, dental, or veterinary officer's CSED and board certification. BCP ranges from \$2,500 to \$6,000 annually for medical officers or dental officers and \$2,000 to \$5,000 annually for veterinary officers. Officers must provide documentation in support of certification to receive this special pay.

*Non-physician Board Certified Pay (NBCP)* has been implemented by the PHS Commissioned Corps in the same manner as it has been in the other Uniformed Services. The payment of NBCP is authorized for recognized specialties that are above the normal entry level, and to be eligible a recipient must:

- (1) be a healthcare provider in a specialty that is authorized to receive NBCP;
- (2) have a post-baccalaureate degree in his or her clinical specialty; (MPH or MHA degrees do not substitute for your clinical specialty);
- (3) be certified by a professional board in his or her clinical specialty; and
- (4) meet the applicable criteria recognized by specialty boards.

The rates of pay range from \$2,000 to \$5,000 per year based on years of creditable service. NBCP is a taxable monthly pay, as are the other special pays.

Specialties eligible to receive NBCP include: nurse anesthetist, nurse practitioner, nurse midwife, radiological physics, dietetics, occupational therapy, optometry, pharmacy, physical therapy, podiatry, psychology, social work, audiology/speech pathology, and physician assistant.

If you meet the above criteria and are not already receiving NBCP, please submit a copy of your advanced degree certificate along with documentation of your board certification to the Compensation Branch.

*Retention Special Pay (RSP)* is a payment of \$15,000 annually for medical officers who execute a contract to remain on active duty for a specified term of 1 or more years. The payment is made in a lump sum usually within 90 days of the effective date of the contract. If other bonus pay contracts are negotiated, they will have concurrent dating.

*Incentive Special Pay (ISP)* is a special bonus for certain medical officers that is paid annually based on medical specialty. ISP rates authorized by law, range from \$2,000 to \$36,000 per year for a 1-year contract. There is a provision to pay ISP for medical officers who execute an ISP contract to stay on active duty for a minimum of 1 year at an isolated hardship site or a hard-to-fill location. Officers serving at the eligible sites are notified of their eligibility when they are assigned. The amount for isolated hardship sites ranges from \$11,000 to \$19,000 annually based on the category of the site. The payment is made in an annual lump sum.

*Multiyear Retention Bonus (MRB)* is payable to medical officers at the rate of \$2,000 to \$14,000 depending on the specialty training and the duration of the contract.

Eligibility requirements for ISP and MRB include that a medical officer:

- (1) Be entitled to receive RSP;
- (2) Be in pay grade O-6 (CAPT) or below;
- (3) Not be participating in Department of Health and Human Services (HHS)-supported long-term training as defined in INSTRUCTION 1, Subchapter CC25.2, "Extramural Training," of the Commissioned Corps Personnel Manual (CCPM);
- (4) Be eligible to remain on active duty for the duration of the contract;
- (5) Be board certified or fully trained in a recognized medical specialty;

- (6) Have a current license to practice medicine or osteopathy;
- (7) Not be serving obligated service as a result of training (applies to MRB only); and
- (8) Enter into a contract to remain on active duty for 2-4 years. (Note that MRB and RSP contracts must have concurrent dates.)

*Multiyear Retention Bonus (MRB)* for dental officers is payable at the rate of \$3,000 to \$14,000 annually depending on the specialty training and the length of the contract. Eligibility criteria are similar to those for medical officers, listed above.

*Additional Special Pay (ASP)* is payable to dental officers who execute a contract to remain on active duty for at least 1 year. Amounts range from \$4,000 to \$15,000 per year payable in a lump sum annual payment.

*Nurse Special Pay* is a contract special pay for nurse anesthetists. At the discretion of the Agency/Operating Division/Program to which they are assigned, qualified nurse officers may sign a contract to remain on active duty for 1 year and may be paid an amount of \$6,000 or \$15,000 depending on their obligation to the Service.

Eligibility requirements include that a nurse officer must:

- (1) Be a Certified Registered Nurse Anesthetist (CRNA);
- (2) Be on active duty under a call or order to duty for not less than 1 year;
- (3) Have a current and unrestricted State license as a registered professional nurse; and
- (4) Sign an agreement to remain on active duty for 1 year.

Any questions regarding the nurse special pay should be directed to your Agency/Operating Division/Program Commissioned Corps Liaison or the Compensation Branch.

*Accession Bonuses* are authorized for registered nurses, pharmacists, and dentists who accept a commission as officers. Officers must sign a contract within 60 days of their call-to-active-duty, and agree to remain on active duty for a period of not less than 4 years. The amount of the accession bonus is \$5,000 for nurses and \$30,000 for pharmacists and dentists. To be eligible for the accession bonus, the officer must:

- (1) Have a current and unrestricted license as a registered professional nurse, pharmacist, or dentist;

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- (2) Meet the commissioning standards for their respective category;
- (3) Not have received financial assistance from HHS or a Uniformed Service;
- (4) Not be serving obligated service pursuant to participation in an HHS-supported scholarship or training program;
- (5) Be willing to accept a commission as an officer and remain on active duty for a period not less than 4 years; and
- (6) Not have been on extended active duty in any Uniformed Service during the previous 12 months for nurse officers and previous 24 months for dental and pharmacy officers.

*Engineering and Scientific Career Continuation Pay (ESCCP)* is a special pay for engineer or scientist officers who are assigned to positions designated as critical shortage positions. The maximum pay authorized is \$3,000 per year. For engineers, the positions deemed as critical shortage positions are the locations designated as isolated hardship duty sites. Scientist officers occupying billets in which the civil service equivalent would be eligible for special pay are deemed critical shortage positions. Other eligibility criteria are:

- (1) Not be receiving any other accession or career continuation bonus or annual bonus authorized by 37 U.S.C. 302;
- (2) Not be serving obligated service pursuant to participation in an HHS-supported scholarship or training program;
- (3) Be below pay grade O-6;
- (4) Hold an earned degree in engineering or science from an accredited college or university;
- (5) Be a member of the engineer or scientist categories or meet the standards for appointment to the scientist category;
- (6) Have completed 3 but less than 11 years of active duty with a Uniformed Service of which at least 3 years is duty as an engineer or scientist officer, or served on active duty for 3 but less than 11 years after meeting requirements for eligibility;
- (7) Be serving in an engineering or scientific specialty that is specified as a critical shortage specialty;
- (8) Not have been called to active duty as an interservice transfer or served on active duty in another Uniformed Service within the last 12 months;
- (9) Not be participating in HHS-supported long-term training as defined in IN-

STRUCTION 1, Subchapter CC25.2, "Extramural Training," of the CCPM; and

- (10) Execute a written agreement to remain on active duty for at least 1 year in the critical shortage position.

### Deductions

*Deductions from pay* include taxes, both State and Federal, and Social Security (FICA). Officers must submit Form W-4, "Employee's Withholding Allowance Certificate," to the Compensation Branch to determine the rate of withholding of Federal income tax. Officers claim withholding allowances based on their marital status, number of dependents, and other adjustments to income. Worksheets are provided with Form W-4. *Note: The withholding rate for annual bonus payments is 27%.*

*State income taxes* are withheld based on the officer's State of legal residence. Officers notify the Compensation Branch of their State of legal residence by completing form DD-2058, "State of Legal Residence Certificate," and if appropriate, State taxes are withheld. State tax laws vary so you should contact your State tax service for assistance.

*Social Security (FICA)* will continue to be deducted from each officer's pay at the rate of 7.65%, which is the same rate as in 2001. The maximum salary for which the full rate of 7.65% will be deducted has increased from \$80,400 to \$84,900. The Social Security deduction is comprised of two parts. The Old Age Survivors' and Disability Insurance (OASDI) rate is 6.2%. The Hospital Insurance (HI) rate is 1.45%. Both OASDI and HI are deducted on the first \$84,900 of earnings. At that point, OASDI deductions are discontinued. The HI portion has no maximum salary cutoff, so it continues to be applicable to earnings above the OASDI cutoff. In other words, the Social Security deduction will be 7.65% on the first \$84,900 of wages and 1.45% thereafter. Officers earning more than \$84,900 will see a change in the net take-home pay when that amount has been reached.

*Servicemember's Group Life Insurance (SGLI)* premiums will automatically be deducted to provide \$250,000 of life insurance on the officer unless a lesser amount or no insurance is elected. New calls to duty are automatically covered for \$250,000 unless they decline or elect reduced coverage. SGLI premium rates are to remain at \$.80 per \$10,000 of coverage, making the monthly premium \$20 for maximum coverage.

Using form SGLV-8286, "Servicemember's Group Life Insurance Election and Certificate," officers may (1) decline cov-

erage, or (2) elect a reduced level of insurance in a multiple of \$10,000. To specify an election or decline the insurance, the officer must submit form SGLV-8286 on or before his or her first day of active duty.

November 1, 2001, marked the beginning of SGLI family coverage which extends coverage to spouses and children of active-duty officers with SGLI. Spouse coverage is automatic unless reduced or no coverage is requested using form SGLV-8286A, "Family Coverage Election (SGLI)." Premiums for spouse coverage are based on the age of the spouse. Child coverage in the amount of \$10,000 per child is free and cannot be declined or reduced. Enrollment information and premium rates are available on the DCP Web site at <http://dcp.psc.gov> under "Payroll Issues".

Detailed information on all SGLI programs is available online at the Department of Veterans Affairs Web site - <http://www.insurance.va.gov/sglivgli/sglifam.htm>. Election forms are also available online at <http://www.insurance.va.gov/forms/forms.htm>—or from the Compensation Branch.

### Allowances

*Allowances* are generally non-taxable income and include Basic Allowance for Subsistence (BAS), Basic Allowance for Housing (BAH), Overseas Housing Allowance (OHA), Cost of Living Allowance (COLA), Dislocation Allowance (DLA), and Move-In Housing Allowance (MIHA). Continental United States Cost of Living Allowance (CCOLA) is a taxable allowance.

*Basic Allowance for Subsistence (BAS)* is a monthly allowance payable to all officers unless meals are provided by the Service. Currently the estimated amount payable is \$166.37 per month for all officers.

*Basic Allowance for Housing (BAH)* rates are determined by the officer's duty location, grade, and dependency status. These rates are paid based on the duty location zip code, not home address. The 2002 BAH rates will increase in most (but not all) locales to make the housing allowances more reflective of actual housing costs. Current rates can be viewed at—<http://www.dtic.mil/perdiem/bahform.html>.

### BAH Rate Protection

Officers will be rate protected with the BAH. Each year, when the BAH rates change, the new rate will be the greater of the new rate or the rate in effect the day previous to the new

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rates. There are three circumstances that could lead to a reduction in BAH, each of which involves a change in status:

- (1) Permanent change of station (PCS) will result in different rates of BAH based on your new duty station. There is no rate protection when changing duty stations.
- (2) If you are demoted, your BAH will revert to the current published rate appropriate to your new grade. Promotions will not lower your housing allowance.
- (3) If there is a change in dependency status, your rate of BAH will be determined by your new dependency status and the current published rate of BAH for your grade and duty station.

**Overseas Housing Allowance (OHA)** - Officers stationed overseas, other than Alaska and Hawaii, who live on the local economy are eligible to receive OHA. The monthly OHA amount is based on comparing the officer's rent, up to a rental ceiling for the duty station, plus the utility/recurring maintenance allowance. If a member owns quarters, the rent will be determined by dividing the purchase price by 120 to determine the monthly rental rate.

**Cost of Living Allowance (COLA)** is authorized to officers assigned to overseas areas to enable the officer to maintain approximately the same standard of living as in the Continental United States (CONUS). The rate established is based on the officer's grade, base pay entry date, and the actual number of dependents residing in his or her household.

**Continental United States Cost of Living Allowance (CCOLA)** is a taxable allowance paid to officers assigned to designated high cost areas within CONUS. The CCOLA rates vary depending upon the officer's rank and dependency status. Current rates can be found at - <http://www.dtic.mil/perdiem/ccola.html>.

**Dislocation Allowance (DLA)** - An officer is eligible to receive a DLA if he or she relocates his or her household as a result of a Permanent Change of Station (PCS). DLA is a non-taxable allowance that is meant to partially reimburse the officer for expenses incurred in closing out his or her household and establishing a new household. The amount of DLA authorized can be found in the Joint Federal Travel Regulations (JFTR) Table U5G-1. *Note:* The Compensation Branch does not process DLA. The procedure for requesting DLA is similar to requests for travel and travel reimbursement.

**U.S. Savings Bonds** - Many officers find that purchasing U.S. Savings Bonds from their salary is a convenient and reliable way to systematically save money. Properly executed U.S. Savings Bond purchase/change request forms received by the Compensation Branch by the 10<sup>th</sup> of each month will be implemented with that month's payroll. Commissioned officers must use form SB-2253 for Series I Bonds and form SB-2152 for Series EE Bonds. The maximum number of Bonds that can be purchased by payroll deduction continues to be three (I and EE combined).

The EE series bonds are purchased for half their face value and may not be cashed for 6 months from the date of issue. The minimum EE bond denomination is \$100. I Bonds are purchased for their full face value. The minimum I bond denomination is \$50.

It is important to note that U.S. Savings Bonds will only be mailed to the officer's payroll address, which is the same as that used for monthly earnings statements. It is generally recommended that your payroll address be your home address rather than your business address, in order to safeguard privacy. U.S. Savings Bond information is also available on the Web at—[www.savingsbonds.gov](http://www.savingsbonds.gov)

### Officer Responsibilities

Officers should notify the Compensation Branch immediately of changes in their payroll address. This is important for proper receipt of your monthly earnings statement. You must also notify the Compensation Branch of other changes that will affect your pay (i.e., dependency status). Officers receiving COLA, must notify the Compensation Branch if a dependent departs the vicinity of their overseas duty station for a period in excess of 30 days.

Officers should pay particular attention when submitting various forms to the Compensation Branch. Remember that these forms affect your pay and the information should be clearly printed or typed.

### Payday

Payday is usually the first day of the month. If the first day of the month is on a non-workday, officers may expect to receive their pay on the previous workday. The exception is the December payday, which is paid on the last workday of the month. The Compensation Branch must be notified in writing of changes no later than the 10<sup>th</sup> of the month in order for the changes to be processed in the current month. Submission of changes as early in the month as

possible will facilitate completion of processing in a timely manner. Allow 90 days for the processing of special pay contracts.

### Pay dates for 2002

Payroll Month	Active Duty	Retired/Survivors
January 2002	February 1	February 1
February 2002	March 1	March 1
March 2002	April 1	April 1
April 2002	May 1	May 1
May 2002	May 31	June 3
June 2002	July 1	July 1
July 2002	August 1	August 1
August 2002	August 30	September 3
September 2002	October 1	October 1
October 2002	November 1	November 1
November 2002	November 29	December 2*
December 2002	December 31	January 2, 2003

\* Last pay day for 2002 tax year for retired officers and survivors.

**Earning Statements - Please read your monthly pay statement!** Each month, approximately 5 workdays before the end of the month, form PHS-6155, "Statement of Earnings and Deductions," is mailed to each officer. The statement provides a detailed breakdown of your earnings, both taxable and non-taxable, and deductions that include Federal Tax Withholding, State Tax Withholding (if appropriate), Social Security (FICA), and Servicemember's Group Life Insurance (SGLI). The net check is the amount of pay you receive in the form of funds transferred to your account at a financial institution. In addition, a year-to-date summary is provided. The Statement of Earnings and Deductions is sent to the payroll address which you provide to the Compensation Branch. This payroll address does not change unless you provide written notification of the change to the Compensation Branch. In many cases, this address is your personal address rather than a duty station address to assure your receipt of this important information.

You should pay particular attention to the MESSAGE area of your Statement of Earnings and Deductions. In addition to a general information message, the Compensation Branch prints specific messages to notify you of changes (corrections, adjustments, etc.) in your pay, or to alert you to potential changes. At least once a year, there is a message regarding form PHS-1637-1, "PHS Commissioned Officer's Request for Dependency Determination." It is necessary for you to submit at least annually a form for dependency determination in order to receive BAH at the "with" dependent rate. Failure to submit form PHS-1637-1 will result

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in the Compensation Branch paying you at the "without" dependent rate. You will find that noting the MESSAGE on your pay slip may be as important as looking at the deposited amount!

**Designation of Address** -The PHS commissioned officer payroll system requires you to have your net salary credited directly to your account at a financial institution and to receive your Statement of Earnings and Deductions, U.S. Savings Bonds, and other personnel/payroll documents at a separate address of your choice. This method increases your privacy and provides for prompt, reliable, and secure delivery of important and confidential personnel/payroll documents.

To have your net salary credited to your account, complete form SF-1199A, "Direct

Deposit Sign-Up Form," and have it authorized by the financial institution holding the account to which you want your salary credited. You must then submit the form to the Compensation Branch, along with the designation of an address for your other payroll documents. We recommend the address you designate be the same address you use to receive other types of mail. Our experience has shown that officers who use the duty or organization address to receive the earning statements usually do not receive these documents as timely as those using a personal address.

**The payroll address does not change when you transfer.** You must notify the Compensation Branch, in writing, when you want your payroll address changed.

**DO NOT FAX PAYROLL INFORMATION.** Unless specifically requested, the Compen-

sation Branch does not accept faxed information for updating pay records. Requests for changes to pay records, i.e., address changes, changes in marital status, and tax withholding must be in writing with an original signature in order for the Compensation Branch to process them. Changes should be received by the 10<sup>th</sup> of the month in order to provide time for the changes to be processed for the current month.

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### DEPARTMENT OF HEALTH AND HUMAN SERVICES PAY AND ALLOWANCES OF PUBLIC HEALTH SERVICE COMMISSIONED CORPS OFFICERS EFFECTIVE JANUARY 1, 2002

#### MONTHLY RATES OF BASIC PAY CUMULATIVE YEARS OF SERVICE

PAY GRADE	2 OR LESS	OVER 2	OVER 3	OVER 4	OVER 6	OVER 8	OVER 10	OVER 12	OVER 14	OVER 16	OVER 18	OVER 20	OVER 22	OVER 24	OVER 26
O-10												11601.90	11659.20	11901.30	12324.00
O-9												10147.50	10293.60	10504.80	10873.80
O-8	7180.20	7415.40	7571.10	7614.90	7809.30	8135.10	8210.70	8519.70	8608.50	8874.30	9259.50	9614.70	9852.00	9852.00	9852.00
O-7	5966.40	6371.70	6371.70	6418.20	6657.90	6840.30	7051.20	7261.80	7472.70	8135.10	8694.90	8694.90	8694.90	8694.90	8738.70
O-6	4422.00	4857.90	5176.80	5176.80	5196.60	5418.90	5448.60	5448.60	5628.60	6305.70	6627.00	6948.30	7131.00	7316.10	7675.20
O-5	3537.00	4152.60	4440.30	4494.30	4673.10	4673.10	4813.50	5073.30	5413.50	5755.80	5919.00	6079.80	6262.80	6262.80	6262.80
O-4	3023.70	3681.90	3927.60	3982.50	4210.50	4395.90	4696.20	4930.20	5092.50	5255.70	5310.60	5310.60	5310.60	5310.60	5310.60
O-3	2796.60	3170.40	3421.80	3698.70	3875.70	4070.10	4232.40	4441.20	4549.50	4549.50	4549.50	4549.50	4549.50	4549.50	4549.50
O-2	2416.20	2751.90	3169.50	3276.30	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10	3344.10
O-1	2097.60	2183.10	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50	2638.50

#### COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS ACTIVE SERVICE AS AN ENLISTED MEMBER

	PAY GRADE	OVER 4	OVER 6	OVER 8	OVER 10	OVER 12	OVER 14	OVER 16	OVER 18	OVER 20	OVER 22	OVER 24	OVER 26
	O-3E	3698.70	3875.70	4070.10	4232.40	4441.20	4617.00	4717.50	4855.20	4855.20	4855.20	4855.20	4855.20
	O-2E	3276.30	3344.10	3450.30	3630.00	3768.90	3872.40	3872.40	3872.40	3872.40	3872.40	3872.40	3872.40
	O-1E	2638.50	2818.20	2922.30	3028.50	3133.20	3276.30	3276.30	3276.30	3276.30	3276.30	3276.30	3276.30

Basic Allowance for Subsistence is \$166.37 (Estimated amount; final amount not yet determined by the Department of Defense.)

Basic Pay for O-7 to O-10 is limited to Level III of the Executive Schedule

Basic Pay for O-6 and below is limited to Level V of the Executive Schedule



## Changes Announced for Medical Officers Special Pays

On **January 1, 2002**, the new rates for Medical Special Pay (MSP) went into effect. A major restructuring of special pay has been put in place for the 2002 contract rates. In a table at the end of this article, the new rates are listed by specialty and show the Incentive Special Pay (ISP) contract rate, the 2-year, 3-year, and 4-year Multiyear Retention Bonus (MRB) contract rates, and the amount of the change for the 2002 4-year rate compared to the 2001 4-year rate.

MSP has two major purposes. The first is to enhance retention and to attain an appropriate experience mix of physicians in each specialty. The second is to bring compensation levels for Uniformed Services physicians in line with their civilian counterparts. The MRB portion is designed to accomplish the first purpose, and the ISP portion is designed for the second. The rates for MRB and ISP are the same for all Uniformed Services.

Specific information regarding the rates will be distributed to the Agency/Operating Division (OPDIV)/Program Commissioned Corps Liaisons. Medical officers have two methods of receiving payment for special pay contracts. The **first method** is to receive the next annual installment of the present contract through the normal process of **recertification**. Medical officers are sent (via Commissioned Corps Liaisons) a recertification form. The recertification form must be processed through the officer's supervisory channels as in previous years. The **second method** is for medical officers to enter into a new MSP contract, subsequent to the expiration of the current contract, or as a renegotiation into a new MSP contract, if it is financially advantageous to them.

Renegotiations are authorized provided that the new contract extends beyond the current contract expiration date and the new rates are higher. When the medical officer has both MRB and ISP, **both rates must be for the same year and specialty**.

- contact your Commissioned Corps Liaison to obtain a new medical special pay contract, *and*
- complete, sign, and notarize the contract, *and*
- submit it through the appropriate Agency/OPDIV/Program supervisory channels to the Compensation Branch, Division of Commissioned Personnel.

*NOTE: Contracts must be notarized on or before January 1 in order to receive a January 1 effective date.*

Eligibility requirements are unchanged and include:

1. Be entitled to Retention Special Pay (RSP);
2. Be in pay grade O-6 or below;
3. Not be participating in Department of Health and Human Services (HHS)-supported long-term training;
4. Not be serving obligated service pursuant to participation in an HHS-supported scholarship or training program (applies to MRB only);
5. Be eligible to remain on active duty for the specified term of the contract;
6. Hold a current, valid license to practice medicine or osteopathy;
7. Be board certified or fully trained in a medical specialty; and
8. Be capable of undertaking the clinical practice of his/her specialty.

Officers are reminded that they **cannot retire** for the duration of their MSP contracts. However, you may prospectively renegotiate your contract to align for a planned future retirement date.

Specific information for both MRB and ISP are detailed in INSTRUCTIONS 9 and 10, Subchapter CC22.2 of the Commissioned Corps Personnel Manual (CCPM). You may review the CCPM online by accessing the DCP Web site (<http://dcp.psc.gov>). The RSP, MRB, and ISP contracts are combined into a single contract, form PHS-6300-1, "Medical Special Pay (MSP) Contract Request," which

requires the officer's signature and notarization on the front, and the Agency/OPDIV/Program's approval on the reverse of the first page. The forms are available through your Commissioned Corps Liaison. Please note that the recertification forms for MSP have a section that must be completed by all officers who are on MRB and/or ISP contracts and who are not in a clinical billet (primary job = 81). This section requires the officer to specify where, when, and how much time was completed toward his/her clinical requirement. Officers in clinical billets or those officers whose billets have been approved as satisfying the clinical requirement are not required to complete this section. Specific instructions for completing form PHS-6300-1 and the recertification sheet will be sent to officers. Should you have any questions, please contact your Commissioned Corps Liaison.

Distribution of materials for recertification and renegotiation was accomplished in December 2001. Your request for a new contract or recertification should be submitted **through your supervisor and Commissioned Corps Liaison** for approval/processing prior to submission to the Compensation Branch.

The Compensation Branch has **90 days** from the date of receipt of the completed contract (including required attachments) or from the anniversary date, whichever is later, to process the contract. Every effort is made to process contracts and payments as quickly as possible, however, officers should not expect payment earlier than the February 2002 payroll (payable March 1). Contracts are processed in the order that they are received with processing priority given to recertifications in January and renegotiations in February. Payments are authorized by the issuance of personnel orders, so payment should not be expected until after personnel orders are issued and received.

For additional information, contact your Commissioned Corps Liaison or go to the DCP Web site—<http://dcp.psc.gov>—and visit the "Payroll Issues" menu where you can also obtain information on the Thrift Savings Plan.

*(Continued on page 19)*

*If you wish to renegotiate and you have not received a contract, you should:*

## Changes Announced for Medical Officers Special Pays

(Continued from page 16)

### 2002 MEDICAL SPECIAL PAY RATES

Specialty	Spec Code	2002 ISP	2002 MRB 2-year	2002 MRB 3-year	2002 MRB 4-year	Change <sup>1</sup>
ALLERGY .....	0601	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$11,000
ANESTHES .....	0100	\$36,000	\$12,000	\$13,000	\$14,000	\$13,000
AROSPACE .....	2200	\$12,000	\$ 8,000	\$ 9,000	\$10,000	\$ 1,000
CARD DIS .....	0602	\$36,000	\$12,000	\$13,000	\$14,000	\$ 6,000
CLINPATH .....	1408	\$16,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
CLINPHRM .....	8000	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
CRITCARE .....	0615	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
DERMATOL .....	0300	\$18,000	\$ 8,000	\$ 9,000	\$10,000	\$ 6,000
DIA RAD .....	1803	\$36,000	\$12,000	\$13,000	\$14,000	\$11,000
EMERGENCY .....	6200	\$26,000	\$ 8,000	\$ 9,000	\$10,000	\$ 6,000
ENDO&MET .....	0607	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
FMPLYPRAC .....	0501	\$13,000	\$12,000	\$13,000	\$14,000	
GASTROEN .....	0604	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
GERIATRC .....	0614	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
HEMATOLO .....	0608	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
IMMUN .....	0613	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$11,000
INFCTDIS .....	0609	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
INT MED .....	0600	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 3,000
MDGENETIC .....	0620	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
NEONATAL .....	1507	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
NEPHROLO .....	0610	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
NEUROLGY .....	1702	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 3,000
NonTen ROG ...	9998/7		\$ 8,000	\$ 9,000	\$10,000	
NUCLEAR .....	2400	\$31,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
OBST&GYN .....	0800	\$31,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
OCCUPATL .....	2300	\$12,000	\$ 8,000	\$ 9,000	\$10,000	\$ 1,000
ONCOLOGY .....	0611	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
OPHTHALM .....	5800	\$28,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
ORTHOSUR .....	1000	\$36,000	\$12,000	\$13,000	\$14,000	
OTOLARYN .....	1200	\$30,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PATHOLGY .....	1400	\$16,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDCARDI .....	1502	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDCC .....	1515	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDGASTR .....	1505	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDHMONC .....	1503	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$11,000
PEDIATRS .....	1500	\$12,000	\$ 8,000	\$ 9,000	\$10,000	\$ 3,000
PEDIMMUN .....	1508	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDINFEC .....	1509	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PEDPULMO .....	1510	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
PHY&REHB .....	1600	\$12,000	\$ 8,000	\$ 9,000	\$10,000	\$ 1,000
PREVTIVE .....	1900	\$12,000	\$ 8,000	\$ 9,000	\$10,000	\$ 1,000
PSYCHIAT .....	1701	\$15,000	\$12,000	\$13,000	\$14,000	\$ 1,000
PULM-DIS .....	0606	\$23,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
RADIOLOGY .....	1800	\$36,000	\$12,000	\$13,000	\$14,000	\$11,000
RESEARCH .....	9999	\$31,000				
RHEUMATO .....	0612	\$14,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000
SURGERY .....	5400	\$29,000	\$12,000	\$13,000	\$14,000	\$ 3,000
SURG Subs .....	5499	\$36,000	\$12,000	\$13,000	\$14,000	\$ 6,000
UROLOGY .....	2000	\$28,000	\$ 8,000	\$ 9,000	\$10,000	\$ 2,000

<sup>1</sup> Represents the change between a 2001 4-year MRB/ISP total combined contract rate and a 2002 4-year MRB/ISP total combined contract rate.

## HEALTHY LIFESTYLES

### Get Active—Your Own Way, Every Day, for Life

We know regular physical activity helps people enjoy better health, however, an important question is: What strategies work best to help people become more physically active? The Task Force on Community Preventive Services, an independent group commissioned by the Department of Health and Human Services to develop the Guide to Community Preventive Services, has just completed a systematic review of the evidence of effectiveness of selected population-based strategies to increase physical activity levels. These strategies can be used by health promoters, public health advocates, and policymakers. A full Morbidity and Mortality Weekly Report is available at [http://www.cdc.gov/mmwr/mmwr\\_rr.html](http://www.cdc.gov/mmwr/mmwr_rr.html). Click on "Increasing Physical Activity: A Report on Recommendation of the Task Force on Community Preventive Services."



## Retirements - December

Title/Name OPDIV/Program

### MEDICAL

#### CAPTAIN

Richard B. Lyons OS  
Frank A. Hamilton NIH

### NURSE

#### COMMANDER

Betty C. Omholt IHS

### ENVIRONMENTAL HEALTH

#### CAPTAIN

John Ahearn FDA

### HEALTH SERVICES

#### COMMANDER

Eleanor A. Crocker HRSA

